



May 13, 2015

Item No. 9

AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR JEFFERY TOWERS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1.) execute an Agreement to enter into a Housing Assistance Payments Contract (AHAP) for Jeffery Towers; 2.) execute a Housing Assistance Payments Contract (HAP) for Jeffery Towers; and 3.) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for individuals by providing Property Rental Assistance (PRA) for 43 apartments as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Jeffery Towers	South Shore/ 5 th Ward/ Leslie Hairston	Interfaith Housing Development Corporation	Individuals & Families	43	135

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Jeffery Towers	HCV	15 Years	AHAP/HAP Contract	\$360,000/year	\$6,225,630 (15 years)	May 2014; Updated November 2014

Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and Chicago Housing Authority (CHA) policy.

Proposed Development: Jeffery Towers

- Jeffery Towers is the substantial rehabilitation of a 7-story elevator building located in the South Shore community area, containing 135 units consisting of 54 studio and 81 one-bedroom apartments for individuals and families. The PRA unit mix will be 10 studios and 33 one-bedroom apartments.
- The scope of work includes replacement of all major building systems including plumbing, heating, electrical, elevators and sprinklers, total replacement of all kitchen fixtures and appliances, restoration or total replacement as needed of all bathroom fixtures and restoration or replacement of drywall and flooring throughout.
- Building amenities include a community room for tenant meetings and social functions, laundry facilities, covered parking and on-site property management and security.
- Social services will be available; assistance will include employment, legal aid, and medical care. Funding is available on an annual basis and the developer commits to seek service partners and/or funding for the duration of the PRA contract.
- The developer has secured support letters from the Jackson Park Highlands Association, the adjacent Bryn Mawr Community Church, the South Shore Planning Coalition, and the University of Chicago.

Developer Background: Interfaith Housing Development Corporation

- Interfaith Housing Development Corporation (IHDC) is a non-profit corporation whose mission is to create and preserve affordable housing for low-income families who are homeless or at risk of homelessness.
- Since being established in 1992, IHDC has created 13 developments across Chicago producing over 600 units of affordable and supportive housing.
- In 2012, IHDC established its own property management company, IMS, LLC, which is approved by DPD, IHDA, HUD and the National Equity Fund as a certified property manager. To date IMS manages 8 of 13 IHDC developments, including Branch of Hope and SaNkofa House, both of which are PRA assisted. IMS' property management team consists of 42 full and part-time staff.

Development Financing

- Citi First Mortgage: \$6.5M
- Citi Subordinate Loan: \$1.5M
- LIHTC Equity: \$6M
- Deferred Developer Fee: \$1.3M
- FHLB/AHP: \$1M
- DPD MAUI: \$500K
- Owner Cash Equity: \$148K

Waiting List / Occupancy Process

The owner/manager of Jeffery Towers will lease all of the PRA-assisted units to eligible individuals and families from CHA's waiting lists. CHA will make these referrals from the Public Housing and PRA waiting lists as well as individuals and families whose right of return under the Relocation Rights Contract has not been satisfied. CHA's waiting lists will be exhausted prior to utilization of a site-based waiting list.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable CHA board policies and all applicable federal laws.

The CEO/President recommends the approval to execute an AHAP and HAP contract for Jeffery Towers.

RESOLUTION NO. 2015-CHA-43

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated May 13, 2015 requesting authorization to execute an Agreement to Enter into a Housing Assistance Payments Contract for Jeffery Towers;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1.) execute an Agreement to enter into a Housing Assistance Payments Contract (AHAP) for Jeffery Towers; 2.) execute a Housing Assistance Payments Contract (HAP) for Jeffery Towers; and 3.) execute all other documents as may be necessary or appropriate to implement the foregoing.



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